

**MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
NOVEMBER 19, 2004**

MEMBERS PRESENT:

Mr. Mandell Tillman
Mr. Clifford Odom
Mr. James Davis
Mr. Leston Stallworth
Mr. Steve Martin (Arriving at 8:20 a.m.)
Mrs. Myra Pruitt (Arriving at 8:25 a.m.)
Mr. Jon B. Blissitte

MEMBERS ABSENT:

Mr. Otis Stewart, Jr.
Mr. Wilder Cheney

OTHERS PRESENT:

Mr. J.W. Holland, Jr.
Mrs. Lisa Brooks
Ms. Neva Conway
Mr. Randy Robertson

GUESTS PRESENT:

Ms. Jenny Tidwell – Appraisal Subcommittee

- 1.0 With quorum present Mr. Tillman, Chairman called the meeting to order at 8:10 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3rd. Floor Conference Room, Montgomery, Alabama.
- 1.1 The meeting was opened with prayer by Mr. Martin and then the Pledge of Allegiance.
- 2.0 Members present were Mr. Mandell Tillman, Mr. James Davis, Mr. Clifford Odom, Mr. Leston Stallworth, Mr. Steve Martin, Mr. Jon B. Blissitte and Mrs. Myra Pruitt.

At this time the Board introduced themselves to guest Ms. Jenny Tidwell with the Appraisal Subcommittee.

- 3.0 On motion by Mr. Odom and second by Mr. Davis the regular minutes for October 15, 2004 were approved as written. Motion carried by unanimous vote.
- 3.2 Ms. Conway informed the Board the appeal to Circuit Court of the Boards order in **AB-00-66** by Ms. S. Denise Hall has been settled.
- Ms. Conway informed the Board she has two hearings set for December 13, 2004 and in serious settlement negotiations with Mr. Everett Brooks on complaints **AB-99-27 and AB-00-77**.
- Ms. Conway included in the Board books a letter to Mr. Troy King Alabama Attorney General requesting that his office assume responsibility for a disciplinary action pending before the Board. On motion by Mr. Stallworth and second by Mr. Davis the Board granted approved to send the letter to Mr. King.
- 4.0 Ms. Conway informed the Board during the Special Session the Legislature passed 5 bills related to State Employee Health Benefits and the Governor has signed.
- Ms. Conway stated she did contact the Confirmations Office asking if Mr. Gene Garrett's confirmation would be handled during the Special Session. Sen. McClain's clerk indicated that confirmations would not be handled in the Special Session only in the Regular Session that would start in February 2005. Sally Robinson with the Governor's Appointment Office said Mr. Garrett's paperwork was sent over May 26, 2004.
- 5.0 On motion by Mr. Martin and second by Mr. Stallworth the following applications were voted on as listed. Motion carried by unanimous vote.
- 5.1 **Trainee Real Property Appraiser applications approved:** Chad L. Aldridge, Jeffrey S. Carden, Edward M. Dumas, Alan F. Ford, Christopher Hallum, Keith Perry, Jennifer S. Rozycki, Shawn A. Shaw, Charles M. Williams.
- 5.2 **State Registered Real Property Appraiser applications deferred:** Lori Daniel, Lisa A. Talmo.
- 5.3 **Licensed Real Property Appraiser applications approved:** Donald S. Armstrong, Tricia G. Callahan (Recip.)(GA), Patricia G. Davis, Hayden L. Scott. **Applications deferred:** Larry J. Keel, Jr., Linn F. Richards, Darrell S. Willeford, Barry Willingham. **Application denied:** Charles W. Griffin.

- 5.4 **Certified Residential Real Property Appraiser applications approved:** Mark S. Bradford, Tim W. Hammett (Recip.)(LA), John P. Manning (Recip.)(UT). **Applications deferred:** Marla I. Ezzell, John S. Gellerstedt, Bradley E. Pullum, Joseph Steele.
- 5.5 **Certified General Real Property Appraiser applications approved:** James C. Cook (Recip.)(GA), Robert D. Crenshaw (Recip.)(GA), Andrew J. Moye (Recip.)(OH), Ruel M. Sellers (Recip.)(GA), Donald T. Sutte (Recip.)(CO), O. Alan Tidwell. **Applications deferred:** Frank E. Lindstrom, III.
- 6.0 Mr. Holland discussed the financial report with the Board. Mr. Holland stated we were 8% into FY 05 and 8.4% into budget expenditures. Mr. Holland informed the Board personnel costs were up because there were three pay periods in October and that supplies and material costs were up due to paying Risk Management premiums. Mr. Holland also stated the 606 Fund is very close to same place last year. Mr. Holland stated there were no negative trends that could not be reconciled at this time. On motion by Mrs. Pruitt and second by Mr. Blissitte the Board voted to approve the Financial Report. Motion carried by unanimous vote.
- 6.1 On motion by Mr. Stallworth and second by Mr. Davis the following education courses and instructor recommendations were approved, deferred, or denied as indicated:

ALABAMA APPRAISAL ACADEMY

Renewal:

- (LIC) HT-777 The Basic "How To" Appraise a Single Family Residence – 25 Hours
(Instructors: Richard Andrews, Nona Andrews)
Both Course and Instructors Approved
- (LIC) ARE-45 The Appraisal of Real Estate – 45 Hours
(Instructors: Richard Andrews, Nona Andrews)
Both Course and Instructors Approved
- (LIC) USPAP – 16 Hours
(Instructor: Nona Andrews)
Course and Instructor Approved
- (LIC) BC-45 Blueprints and Construction – 45 Hours
(Instructors: Richard Andrews, Nona Andrews)
Course and Instructors Approved

(LIC) MSR-16 Marshall and Swift Residential – 16 Hours
(Instructors: Richard Andrews, Nona Andrews)
Both Course and Instructors Approved

ALABAMA MANUFACTURED HOUSING INSTITUTE

Renewal:

(CE) Real Property Manufactured Housing – 21 Hours
(Instructors: Steve Morgan, Steven E. Mains)
Course and Instructors Approved

APPRAISAL INSTITUTE – ALABAMA CHAPTER

Renewal:

(LIC) 410 – USPAP – 15 Hours
(Instructor: O. Lonnie Tidwell)
Both Course and Instructor Approved

ALABAMA ASSOCIATION OF REAL ESTATE APPRAISERS

Initial Application:

(CE) ANSI Standard Z765-2003 – 3.5 Hours
(Instructor: Everett Brooks)
Both Course and Instructor Approved

Renewal:

(CE) FHA Guidelines & Updates – 7 Hours
(Instructor: Everett Brooks)
Both Course and Instructor Approved

DELTA REALTY RESEARCHERS

Renewal:

(CE) CE1, Highest & Best Use and Direct Capitalization – 7 Hours
(Instructor: Lary B. Cowart)
Both Course and Instructor Approved

(CE) CE2, Number Crunching for the Practicing Appraiser – 7 Hours
(Instructor: Lary B. Cowart)
Both Course and Instructor Approved

EAST ALABAMA INSTITUTE

Renewal:

- (LIC) Certification I and II/USPAP – 75 Hours
(Instructors: Steven Morgan, Steve E. Mains)
Both Course and Instructors Approved
- (LIC) USPAP – 15 Hours
(Instructors: Steven Morgan, Steve E. Mains)
Both Course and Instructors Approved
- (CE) Manufactured Housing Seminar – 7 Hours
(Instructors: Steven Morgan, Steve E. Mains)
Both Course and Instructors Approved
- (CE) Review Appraisal – 7 Hours
(Instructors: Steven Morgan, Steve E. Mains)
Both Course and Instructors Approved
- (CE) URAR – 7 Hours
(Instructors: Steven Morgan, Steve E. Mains)
Both Course and Instructors Approved
- (CE) USPAP – 7 Hours
(Instructors: Steven Morgan, Steve E. Mains)
Both Course and Instructors Approved

INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS

Renewal:

- (LIC) Course 101 – Fundamentals of Real Property Appraisal – 30 Hours
Course Approved
- (LIC) Course 102 – Income Approach to Valuation – 30 Hours
Course Approved
- (LIC) Course 151 – National USPAP – 15 Hours
Course Approved
- (LIC) Course 201- Appraisal of Land – 30 Hours
Course Approved
- (LIC) Course 300 – Fundamentals of Mass Appraisal – 30 Hours
Course Approved

(LIC) Course 311 – Residential Modeling – 30 Hours
Course Approved

JEFFERSON STATE COMMUNITY COLLEGE

Renewal:

(LIC) USPAP – 15 Hours
(Instructors: Steven Morgan, Steve E. Mains, Charles D. Grimes, Jr.)

Both Course and Instructors Approved

(LIC) RLS-116 Real Estate Appraisal Certification – 60 Hours
(Instructors: Steven Morgan, Steve E. Mains, Charles D. Grimes, Jr.)

Both Course and Instructors Approved

(CE) Manufactured Housing Seminar – 7 Hours
(Instructors: Steven Morgan, Steve E. Mains, Charles D. Grimes, Jr.)

Both Course and Instructors Approved

(CE) Review Appraising – 7 Hours
(Instructors: Steven Morgan, Steve E. Mains, Charles D. Grimes, Jr.)

Both Course and Instructors Approved

(CE) URAR – 7 Hours
(Instructors: Steven Morgan, Steve E. Mains, Charles D. Grimes, Jr.)

Both Course and Instructors Approved

(CE) USPAP – 7 Hours
(Instructors: Steven Morgan, Steve E. Mains, Charles D. Grimes, Jr.)

Both Course and Instructors Approved

UNIVERSITY OF NORTH ALABAMA

Renewal:

(LIC) Principles of Real Estate Appraisal – 45 Hours
(Instructor: Bruce L. Gordan)

Both Course and Instructor Approved

- 6.2 The Board reviewed the following disciplinary reports, which were included in their books. **AB-02-25**: On October 15, 2004 the Board suspended the license of **George J. Porter, III (R00359)**, a

Certified Residential Real Property Appraiser for three months. The suspension was stayed on the following conditions: that Licensee pay a \$725 Administrative fine; serve an 18 month probation period following the suspension period; and that further violations occurring in the suspension or probation result in the immediate revocation of the appraisal license. Violations are as follows: Licensee submitted a copy of the appraisal report to the Board that included an addendum page not included in the report submitted to the Lender. The addendum addressed environmental contamination and qualified that the report was subject to reports from the industry which could not be verified by the Licensee or the Board. Licensee reported in an addendum submitted to the Lender that he had made a routine inquiry that “suggested no known potential of environmental hazard”. Contamination in the subject’s market area had been widely publicized through television ads, newspaper articles, and EPA publications. Licensee failed to report and/or analyze the impact of environmental contamination on the subject’s value and marketability. Licensee used sales in the sales comparison analysis that were outside the area identified as suspect of environmental contamination and did not report that the market area for the comparables was not in close proximity to the area suspected or known to be contaminated. Violation: Ethics Rule—Conduct; Standard 1-1(b); 2-1(a); 2-1(b), USPAP, 2001 Ed.; §34-27A-20(a)(7); §34-27A-20(a)(9), Code of Alabama, 1975.

AB-03-70: On October 15, 2004, the Board suspended the license of **Laurie LeMaster, (R00659)** for four months beginning November 1, 2004. The fourth month of the suspension is stayed. Licensee must pay an administrative fine of \$2000 and complete a 15-hour USPAP course and serve a one-year probationary period following the suspension. New complaints during the probationary period could result in the immediate revocation of the license. Violations are as follows: Licensee failed to keep true copies of twenty appraisal reports and engagement letters. Licensee did not report the abandoned house next door to the subject in the 42nd Avenue North appraisal. Licensee failed to report accurate sales history on the subject appraisal and nineteen (19) additional appraisal reports performed for one owner/client where Licensee had previously appraised the properties whose sales history was omitted. Violation: Ethics Rule – Conduct, Ethics Rule – Record Keeping, Standards 1-1(b), 1-2(e)(i), 1-5(b), 2-2 (b)(iii), USPAP, 2002 Ed., §34-27A-26, §34-27A-20(a)(6), (7), (8) & (9), Code of Alabama, 1975.

AB-04-72: On October 15, 2004, the Board issued a private reprimand to a Certified Residential Real Estate Appraiser.

Licensee is also required to pay a \$500 administrative fine and complete a 15-hour USPAP course. The violations are Licensee failed to report and analyze the 3-year sales history of the subject property. Violation: Standards 1-5(b), 2-2(b)(ix), USPAP, 2004 Ed.

Letters of Warning was issued on the following investigations for the discrepancies indicated. This disciplinary action will be considered in any future discipline proceedings:

AB-03-25: On October 4, 2004 to a Certified General Real Property Appraiser for a residential appraisal where comparable sales were chosen from a non-competing neighborhood when sales in the subject's neighborhood were available for use as comparables.

AB-04-35: On September 28, 2004 to a Certified General Real Property Appraiser for failing to report the participation of two Trainee Real Property Appraisers, Violation: Standards 3-2(c), 3-2(f), USPAP, 2002 Ed.

Mr. Holland discussed with the Board the investigative status charts. The numbers are up but not by much.

The Board took this time to complement Mr. Robertson for his hard work during the absence of all other investigators.

Mr. Holland informed the Board the Real Estate Appraisal Investigator register has now been set at Personnel and there are approximately 5 applicants at this time. Mr. Holland asked the Board if they could conduct Executive Director and Investigator interviews on December 9-10, 2004. Mr. Holland told the Board once an investigator is chosen the personnel process would move quickly but the Director replacement would have to be approved at the monthly meeting of the State Personnel Board. The Board said December 9-10, 2004 was good and to start the interviews on the 9th at 10:00 a.m.

6.2.1 The Board reviewed Probable Cause Report **AB-04-78, Companion Case AB-03-63**: On motion by Mr. Odom and second by Ms. Pruitt the Board voted that probable cause does exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

6.2.2 There were no anonymous complaints to review at this time.

- 6.2.3 The Board reviewed Consent Settlement Orders **AB-02-72, AB-02-104, AB-03-94** and Letters of Warnings on **AB-03-25, AB-03-71, AB-03-73, AB-04-02, AB-04-30**. On motion by Mr. Blissitte and second by Mr. Martin the Board voted to accept these Consent Settlement Orders and Letters of Warnings as presented. Motion carried by unanimous vote.
- 6.3 No reciprocal agreements to report since last meeting. Ms. Conway informed the Board she is waiting on our new testing center Applied Measurement Professionals (AMP) to contact her with the answers to Florida's questions regarding Alabama's examination process.
- 6.4 The following reciprocal licenses were issued since last meeting. Tricia J. Callahan (L)(GA), James C. Cook (G)(GA), Robert D. Crenshaw (G)(GA), Tim W. Hammett (R)(LA), John P. Manning (R)(UT), Andrew J. Moye (G)(OH), Ruel M. Sellers (G)(GA), Donald T. Sutte (G)(CO).
- 7.0 The temporary permit report was provided to the Board for their information.
- 8.0 At this time Ms. Jenny Tidwell from the Appraisal Subcommittee reported to the Board the findings of the review she and Vicki Ledbetter completed on the Board. She stated in the Law and Regulation part of the review the only concern was that our approval of Distance Education was not spelled out. She indicated after discussion with Mr. Holland her concerns were cleared up. She stated the quality of our investigations and due process documents were second to none. There were some questions regarding gaps in time with the investigations but again after talking with Mr. Holland those concerns were identified and appeared to be resolved. Ms. Tidwell reviewed the reporting of the National Registry system and found no problems. She also found no problems with our Application process or Education handling. She told the Board our program is very effective and Alabama ranks high among the states. Ms. Tidwell thanked the staff for all their efforts during the review and told the Board we had an excellent staff.

Mr. Holland commented on his experience with both this and past reviews by the Appraisal Subcommittee and stated they had consistently been objective and constructive.

Mr. Holland informed the Board that the Trainee Orientations were going well. He stated we had approximately 60-65 attendees each in the Mobile and Huntsville orientations. He informed the Board

the Trainee Orientation for the 3rd and 4th Districts would be held soon after the 1st of the new year.

Mr. Holland stated to the Board that 89% of renewals had been received as of this date.

Mr. Holland included in the Board books a letter from Mr. Jim Martin, President of AARO thanking Ms. Conway for her involvement and participation in coordinating the panel session on "Litigation" and assisting with sponsor recruitment at the AARO Conference in October.

Mr. Davis gave a brief report to the Board on the breakout session on Trainees he attended at the AARO Conference in Washington, D.C. on October 9-12, 2004. He also gave the Board members a copy of some suggestions other states had regarding trainee problems. He stated to the Board there was a lot of interest in the 100 appraisal inspection criteria.

Mr. Odom gave the Board a handout on Montana Trainee requirements for their information and consideration for local application.

Mr. Holland informed the Board the Finance Director denied the Special Merit raise he had requested for Mr. Robertson on the basis that all Special Merit raises have been frozen since 2003. Mr. Holland asked the Board to consider reclassifying Mr. Robertson into the Real Estate Appraisal Investigator Supervisor position.

At 9:35 a.m. on motion by Mr. Martin and second by Mr. Blissitte the Board voted to go into Executive Session to discuss the good name and character of an individual. Motion carried by unanimous vote.

At 9:55 a.m. the Board went back into Regular Session.

On motion by Mr. Davis and second by Mr. Stallworth the Board voted to approve Mr. Robertson for the Real Estate Investigator Supervisor position. Motion carried by unanimous vote.

At this time Mr. Blissitte went over with the Board the Executive Director résumés and handed out copies of the candidates who were chosen for interviews.

9.0 Meeting adjourned at 10:50 a.m.

Sincerely,

Lisa Brooks
Executive Assistant

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APPROVED: _____
Mandell Tillman, Chairman